

CLGF
February Meeting
Concerned Citizen Input

Subj: City of Reno Finances/ Legislative Suggestions

As a concerned citizen that has appeared before you in the past, I bring to your attention that Reno's debt continues to soar and bonds remain in forbearance while Reno gave a pay raise to Police- setting the tone for others.

Clearly CLGF wants no part of any major take over so best to head it off now with firm input. To do otherwise is counterintuitive.

CAFR: The latest 2014 audit is out showing an OPEB debt increase to about 226,147,000 (CAFR 2014 pg 85) Additional reporting by the media raises that to \$228,000,000. City total debt is about 600,000,000.

LEGAL: Reno lost the Goldman Sachs appeal at the US Supreme Court.

POLICE CONTRACT: Reno has a Financial Advisory Board (FAB) that has formally and repeatedly requested that the FAB review all contracts. Instead, two have been rushed through without adequate citizen or FAB review. The Police contract grants a raise and staff reports shows increased costs of about \$1.4 million just from 2015 to 2016. Only newly hired officers pay a \$2000 annual pittance into a healthcare trust fund.

The ratification was rushed through meeting Open Meeting Law by a mere 25 minutes!

This alone represents an intentional serious breach of fiduciary responsibility by the City. I urge the CLGF to make clear to Reno the need to allow adequate FAB and citizen review.

Reno continues to pay 100% of PERS which just went up to 40.5%.

Reno continues to place and use specific dedicated taxpayer ballot funds into General Fund for purposes other than the voter intent of additional police & fire. Nevada Attorney General Opinion 2011-04 addresses this. I urge any member of the CLGF to ask the A.G. for review. See Safety 88 and Fire Ballot R-3.

There are many shoes that might fall placing Reno over the edge including the listed ballot issues, a possible loss of \$1.4 million in annual county free crime lab services, increased bond costs and so many unknowns waiting to happen.

RENO SUMMARY: Reno's debt increases and Reno's pro-union council has no appetite for fiscal reform. Reno is doomed unless the CLGF acts.

HANDOUT
FROM
JEFFREY CHURCH
02-06-15 CLGF MEETING

One area of hope for local governments is the legislature. Political Pundit Jon Ralston predicts there would be no NRS 288 Collective Bargaining Reform in 2015. Let's prove him wrong! The CLGF individually, or as a group, should advocate for reform.

NRS 288, Collective Bargaining: Essentially we need to make it more transparent, more public input, a few changes, a bit more discretion for arbitrators, a bit more teeth. (see AB 23-521 Wheeler).

Arbitration must be open to the public per OML.

Limit unfunded liability on future generations. Any unfunded liability limited to 10 years impact. If you want lifetime healthcare just fund it.

Contracts should be submitted to the Department of taxation for review at least 10 days' notice with the ability of Taxation to put it on hold pending CLGF review. Based on Dillon's Law on state authorized local governments, the state is holding the bag and liabilities on contracts gone bad. Some legal leverage should be granted to CLGF as a watch dog for state and citizen concerns.

Contracts posted for public review at least 10 business days in advance.

AB 54/ NRS 354: We really need to amend NRS 354 to allow emergency managers to void labor contracts solely for the duration of a fiscal emergency. Right now there is no motivation for unions to make concessions when faced with a take-over. They have nothing to lose. Their contracts stay in place. The only state option is increase taxes! NRS 354 is a one-trick pony.

Support AB 54 but amend it to clarify:

1. The authority of the Emergency Manager or CLGF to suspend labor contracts.
2. Clarify that in the case of dis-incorporation, the State or county do not assume City/agency debts or contract obligations.
3. Ability of CLGF/ Manager to lay-off or reduce pay for any boards or councils.

NRS 617 Heart Lung reform, possibly extending to 10 years the minimum employment requirement and requiring any claim to be filed in the 5-10 post employment time frame. Otherwise Heart Lung will bankrupt every city and county eventually.

Please check out www.RenoPublicSafety.org (Articles section).

CONCLUSION: CLGF should advocate for reforms. NRS 288 Reform: Limit unfunded liability to 10 years and make more transparent. AB 54 Share the pain- unions and councils take the hit too. NRS 617: 10 years limits on service and initial claims. Place Reno under watch before it's too late.

Jeff Church, 800-554-9519, www.RenoPublicSafety.org

Summary of Findings

- **OPEB is Unsustainable:** OPEB liabilities are growing at a faster rate than General Fund revenues under both the existing PAYGO funding method and as projected under a prefunding method (ARC), resulting in a projected deficit by no later than 2016 under all scenarios
- **PAYGO Will Eventually Exceed ARC:** The City's actuaries have indicated that under the status quo, the annual amount due under PAYGO will eventually exceed that owed under an ARC funding method
- **Current Unfunded Status is Significant:** The unfunded liability (UAAL) is currently valued at over \$210 million (1.4 years worth of General Fund revenue) and will continue to grow at an unsustainable rate

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AND THE CITY OF RENO BUDGET



Get Mad Reno!

Re-Open Your Fire Station

*Do Nothing and
We ALL May Face 20%
Tax Increase*

Our Fire Station Sits Empty With Fire Trucks Inside

RenoPublicSafety.org

Broken Promises

R-3

CITY OF RENO FIRE PROTECTION QUESTION

Shall the City Council of the City of Reno be authorized to levy an ad valorem property tax at a rate (to be determined each year by the City Council) not to exceed 7.15 cents per \$100 of assessed valuation, for the period commencing fiscal year 1998 to and including fiscal year 2027, for the purpose of improving fire protection in the City by hiring additional fire fighting personnel and providing facilities and equipment therefor and the cost of operation and maintenance thereof? (This question is estimated to raise between \$2,428,900 and \$7,574,900 annually)

Where Did Our Tax Money Go?



Do Something!

Get Involved At:

1 (800) 554 9519

RenoPublicSafety.org

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